

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of

Lifeline and Link Up Reform and Modernization)	WC Docket No. 11-42
)	
Lifeline and Link-Up)	WC Docket No. 03-109
)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
)	
Advancing Broadband Availability Through Digital Literacy Training))	WC Docket No. 12-23

Petitions for Waiver of Lifeline Rules Submitted by
California Public Utilities Commission (DA 12-719),
USTelecom (DA 12-692) and
State Commissions (DA 12-662)

Comments of the Montana Telecommunications Association

The Montana Telecommunications Association (“MTA”) represents eligible telecommunications carriers (“ETCs”) serving nearly 90 percent of Montana’s wireline consumers. MTA’s members include small and large telecom providers, both member-owned cooperatives and shareholder-owned commercial companies. All of these companies actively provide and promote the federal, and state, Lifeline Programs.

MTA commends the Federal Communications Commission (“Commission”) for undertaking reforms in the Lifeline Program, which has been increasingly afflicted with waste, fraud and abuse in recent years. In particular, eliminating duplicate support and limiting support to one eligible consumer per household will save the program millions of dollars and help ensure that support is directed efficiently and effectively to those in need.

That said, the reforms adopted by the Commission in the *Lifeline Reform Order* (“Order”)¹ are complicated and burdensome. As General Communication, Inc. (“GCI”) commented to the Office of Management and Budget (“OMB”) on March 23, 2012,² the Commission itself estimates that the new Lifeline regulations will cost over 30 million hours a year in paperwork. GCI stated that “the Commission’s own numbers...suggest that the regulations will impose a total cost of over \$550,000,000 per year in paperwork alone, a burden amounting to almost 25% of the total projected Lifeline budget for 2013.”³ OMB estimates a total FCC paperwork burden of 57 million hours per year, the equivalent of 28,500 jobs, for a total annual cost of over \$821 million. In other words, the Commission’s Lifeline paperwork burden alone—according to the Commission’s own estimates—puts the burden of the Lifeline Program compliance at more than half the total paperwork burden of all FCC regulations combined (30 million out of a total of 57 million hours), or two-thirds of the total cost (\$550 million out of a total \$821 million).

While it is essential to squeeze waste, fraud and abuse from the Lifeline Program, it also is critical to do so in a reasonable and prudent manner—one that does not rush reforms before they’ve been tried, tested and understood. In short, it is important not to push for quick results that may impose unintended and necessary costs on consumers and providers.

In this regard, therefore, MTA supports the above-referenced Petitions for Waiver of Lifeline Rules filed by the California Public Utilities Commission (“CAPUC”), the United States Telecom Association (“USTelecom”) and state commissions. The common thread running through each of these petitions is that the new rules adopted by the Lifeline Reform Order impose unreasonable

¹ *In the Matter of Lifeline and Link Up Reform and Modernization, et al.* Report and Order and Further Notice of Proposed Rulemaking. WC Docket Nos. 11-42, 03-109 and 12-23 and CC Docket No. 96-45. (Rel. February 6, 2012) *Lifeline Reform Order*.

² See comments of General Communication Inc. (GCI) re: OMB Control Number: 3060-0819; WC Docket Nos. 12-23, 11-42, 03-109, CC Docket No. 96-45. March 23, 2012.

³ NB: the paperwork burden is an unfunded mandate; compliance costs are not recovered by companies through any Lifeline support mechanism.

compliance burdens on states, ETCs and consumer. Consequently petitioners seek more time in which to comply with the Order.

CAPUC, for example, seeks a 12-month extension so it can “determine who will collect this data and make the necessary changes to the state administrator’s and carriers’ databases.”⁴ CAPUC plans to use “its existing renewal process through the end of the year while at the same time, working to modify the Lifeline forms and procedures to comply with the FCC’s recertification requirements,”⁵ with the goal of including the new elements adopted by the FCC in time to report to USAC by the end of December, 2013.

Similarly, USTelecom points out that “states that are involved in Lifeline eligibility determinations face understandable challenges in revising their rules and processes within the timetables” currently mandated by the Order.⁶ USTelecom correctly notes that failure to manage the various moving parts in the compliance process means that “ETCs in the affected states will likely have no choice but to decline to enroll new subscribers in the Lifeline program.”⁷

The Montana Public Service Commission (“MTPSC”) further comments that “Montana’s law...presents a conflict for state implementation of the new federal eligibility criteria” and requests a waiver of the Order’s eligibility criteria until June, 1, 2013 to give time for the Montana legislature to amend state law.⁸ Similarly, the Colorado and Oregon Public Utility Commissions seek waivers to enable their Legislatures to amend state laws to accommodate compliance with the Order.

⁴ *In the Matter of Lifeline and Link Up Reform and Modernization, et al. Op cit.* Petition for Waiver of the California Public Utilities Commission and the People of the State of California. (April 26, 2012) p6.

⁵ *Id.*, fn10)

⁶ *Lifeline and Link Up Reform and Modernization, et al. Op cit.* The United States Telecom Association’s Petition for Waiver. (April 25, 2012) p2.

⁷ *Id.*, p3.

⁸ *Lifeline and Link Up Reform and Modernization, et al. Op cit.* Petition for Waiver of the Montana Public Service Commission. (March 20, 2012) p1.

Conclusion

In each of these petitions, Petitioners seek extensions of deadlines by which to comply with the various burdens imposed by the Order. Petitioners are not seeking to overturn the Order; rather they simply need time to implement changes necessary to comply with the various requirements imposed by the Order.

MTA notes that in addition to developing necessary forms and procedures, and amending relevant state statutes, compliance burdens may be reduced substantially by the establishment of national accountability and eligibility databases. In this regard a wide variety of other parties has filed comments with the Commission in this proceeding regarding the importance of establishing databases prior to implementing the numerous reforms found in the Order.⁹

MTA urges the Commission liberally to grant petitioners' requests for leniency in implementing the Order until such time that processes, including national databases, can be established for states and ETCs to implement the Order in a cost effective manner.

Respectfully submitted,

/s/

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⁹ See for example, letter filed with Marlene Dortch, Secretary, Federal Communications Commission, from Alliance for Generational Equity, Community Action Partnership Consumer Action, Hispanic Federation, *et al.* WC Docket Nos. 11-42, *et al.* (April 2, 2012). See also, *Lifeline Reform Order*. WC Docket Nos. 11-42, *et al.* Comments of the Montana Telecommunications Association (April 2, 2012) and Reply Comments of AT&T, (May 1, 2012), *inter alia*.